GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:5919
ANSWERED ON:10.04.2017
Profit/Loss to Oil Companies
Misra Shri Ajay (Teni);Singh Shri Bhola

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the public sector oil companies are in financial crisis due to interference of the Government in pricing of petroleum products and if so, the details thereof along with the reaction of the Government thereto;
(b) the total profit/loss of upstream and downstream companies including GAIL during the last three years and the current year;
(c) the financial health of the public sector oil companies as compared to private sector oil companies during the said period;
(d) whether the Government proposes to reduce the huge expenditure incurred by public sector oil companies in non-core activities in order to improve their viability and if so, the details thereof along the total expenditure incurred by such companies during the said period; and
(e) whether such expenditure by public sector oil companies is in consonance with other similarly placed companies across the world and if so, the details thereof along with the corrective steps taken in this regard?

Answer

MINISTER OF STATE (I/C) IN THE MINISTRY OF PETROLEUM AND NATURAL GAS
(SHRI DHARMENDRA PRADHAN)
(a) : Pricing of petroleum products, except Subsidized Domestic LPG and PDS Kerosene, is deregulated and Public Sector Oil Marketing Companies (OMCs) take appropriate decision on pricing of these products in line with their international prices and other market conditions.
The Government continues to modulate the effective price to consumer for Subsidized Domestic LPG and Retail Selling Price (RSP) of PDS Kerosene, resulting in under recovery
on sale of these products to Public Sector OMCs. For the financial year 2016-17, the entire burden of under recovery has been borne by the Government.
(b) & (c): The profit/loss of Public Sector and Private Sector Oil Companies during the last three years and current year is given as under:-
(Rs. Crore)
Companies
2013-14
2014-15
2015-16
2016-17 (April-December 2016)
Upstream PSUs
ONGC
22,095
17,733
16,004
13,560
OIL
2,981
2,510
2,330
1,529
GAIL
4,375
3,039
2,299
3,243
Downstream PSUs
IOCL
7,019
5,273
10,399
15,386
HPCL
1,734
2,733
3,863
4,390
BPCL

4,061
5,085
7,432
6,198
MRPL
601
-1,712
1,148
1,700
CPCL
-304
-39
771
859
NRL
371
718
1,222
1,503
Private Companies
RIL**
21,984
23,566
27,630
21,825
Essar Oil
126
1,522
2,162
*
Cairn India Ltd.**
12,432
4,480
(9,432)
1,742
Source: Petroleum Planning & Analysis Cell
* Being unlisted company quarterly results not declared.
** Profit/Loss are on consolidated basis.
(d) & (e): The decision about investment/expenditure in Public Sector Oil Companies is taken by their managements as per commercial considerations..
x-x-x-x-x